

VZCZCXRO2811
PP RUEHFK RUEHKSO RUEHNAG RUEHNH
DE RUEHKO #1688 1710359
ZNR UUUUU ZZH
P 190359Z JUN 08
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 5239
RUEKJCS/SECDEF WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
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RHMFIUU/USFJ PRIORITY
INFO RUEHFK/AMCONSUL FUKUOKA 8469
RUEHNH/AMCONSUL NAHA 0844
RUEHNAG/AMCONSUL NAGOYA 6730
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SUBJECT: TOKYO MEDIA REACTION - JAPAN-CHINA RELATIONS
AND TRUCE IN GAZA

¶1. LEAD STORIES: Most Thursday morning papers led with a formal agreement between Japan and China for the former to finance two natural gas field development projects in the East China Sea currently being unilaterally undertaken by China.

¶2. "Realistic Compromise Made" On the accord between Beijing and Tokyo concerning joint development of undersea natural gas fields in the East China Sea, the liberal Asahi editorialized (6/19): "The two sides did not touch on the issue of determining the boundary of their exclusive economic zones; their positions on the matter remain unchanged. Nonetheless, a compromise was possible (over gas field development) thanks to the political decision by Prime Minister Fukuda and Chinese President Hu. They concluded that each side would benefit more from improving bilateral ties, even at the expense of making partial concessions."

¶3. "Failure to Contain Hamas Prompts Compromise" On the ceasefire agreement between Israel and Hamas in Gaza, the liberal Mainichi's correspondent reported from Jerusalem (6/19): "Israel decided to agree on a ceasefire with Hamas, which does not recognize Israel's right to exist, because it concluded that a certain degree of compromise is unavoidable in view of the apparent failure of its policy of encircling Gaza with the aim of weakening Hamas. However, given that past ceasefires have failed soon after their effectuation, it is questionable whether the latest one will lead to a breakthrough in Gaza."

¶4. "Israel Changes Policy of Isolating Hamas" A

Jerusalem-based reporter for the top-circulation, moderate Yomiuri wrote (6/19): "The truce represents an effective change in Israel's policy of considering Hamas as a terrorist group and isolating it.... The reason Israel decided on a truce is that Prime Minister Olmert needed to present to the Israeli people tangible policy accomplishments in order to restore his grip on power in response to mounting criticism from within the ruling coalition over his alleged involvement in a scandal (connected to the privatization of a national bank)."

SCHIEFFER